

## Indo-Pak Relations: Bumpy Road Ahead for SAARC

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### ABSTRACT

The formation of SAARC is a landmark step taken by the leaders of the member nations. The main rationale behind its establishment is to develop a congenial environment through summit diplomacy where all nations may interact peacefully with each other, cultivate sustainable peace and promote mutual economic well-being, by harnessing available resources in the region through the peaceful process of economic integration. Nevertheless, after 31 years of establishment, no South Asian nation has been able to push the process of integration into full swing nor the organization itself has become viable enough to promote peace, harmony and economic integration or prevent conflicts in the region. Indo-Pak bilateral disputes and conflicts accompanied by suspicion and mistrust have severely hampered the process of much needed regional cooperation in the South Asia.

### 1. INTRODUCTION

Regionalism in International Politics is assuming greater significance, both as a concept as well as a phenomenon. It is a multi-dimensional phenomenon viz: military, economic, cultural and ideological, hence its understanding requires comprehensive approach. Regionalism is an

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effective instrument that emerged as an important part of the western strategy, wherein economic as well as military arrangements were worked out to fulfil the objectives of the concerned areas. Regionalism encompasses efforts by a group of nations to enhance their economic, political, social or cultural interactions including regional cooperation, market integration, development and regional integration.

There are various schools of thought regarding the preferred methods and approaches to international integration and regionalism. The Federal School of thought conceives of integration in legal and institutional terms and it stands for bringing together previously separate, autonomous or territorial units to constitute a new form of Union. For Federalism, the aim of the Union is to integrate different entities but not to assimilate them. It is about finding the balance between self-rule and shared rule, about being a unified entity and maintaining diversity and difference. This is one of the greatest appeals of Federalism; it formally acknowledges these differences which are so vital to political system and society based on pluralism. Federalism in the context of the EU is the application of federal principles to the process of European integration where the term integration refers to the sense of a coming together of previously separate or independent parts to form a new whole.

Secondly, Functional School of Thought proposed to build a structure based on functions and common interest and needs shared by states which linked authority with increasing weight of scientific knowledge, aided by technology and expertise. According to David Mitrany, the creator of functionalism in International Relations, functional approach provides the states the opportunity to successfully cooperate in non-political context. Such a developmental cooperation would lead to process called autonomous development towards multiplication, expansion and deepening of functional international organisations. Functionalism proposed to build a form of authority based in functions and needs, which linked authority with needs, scientific knowledge, expertise and technology, i.e, it provided a supraterritorial concept of authority.

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Neo-Functionalism is a theory of regional integration, building on the work of Ernst B. Haas, and also Leon Lindberg, both American political scientists. Neo-functionalists focused their attention in the process of integration among states, i.e. regional integration. Initially, states integrate in limited functional or economic areas. Thereafter, partially integrated states experience increasing momentum for further rounds of integration in

related areas. According to this school of thought, economic integration (functionalism) generates a political dynamic that leads to further integration. Closer economic ties will further strengthen political coordination in order to work effectively and eventually lead to political integration as well – a process called ‘spillover’. According to neo-functionalists, there are two kinds of spillover: functional and political. Functional spillover is the interconnection of various economic sectors or strategic areas, and the integration in one policy-area spilling over into others. Political spillover is the creation of supranational governance models as the European Union. All the above mentioned schools of thought are based on European experience, and have made notable contributions in the process of Regional Integration of European Nation- States, for enhancing their development in various aspects. The modern age is an age of International co-operation and inter-dependence of the states. No state, however, powerful, can afford to live or act in isolation. To avoid anarchistic situations and develop international cooperation in various fields, regional organisations came into being. Regional organisations emerged because of the urge to solve regional problems in a cooperative and common framework. The Modern regional organisations which came into existence after World War-II can be divided into three parts: (i) Regional Defence organisations such as NATO, CENTO and WARSAW pact. (ii) Hybrid Organisations such as OAS, OAU and the Arab League etc. But this study is not concerned with these two type of organisations, in fact the primary concern of this study is the third type of organisations, i.e. (iii) The Functional Organisations.

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Functional Regional Organizations are in a sense, International Organizations as they incorporate international membership and encompass geopolitical entities. However, their membership is characterized by boundaries and demarcations characteristic to a defined and unique geography, such as continents, or geopolitics, such as Economic Blocks. They have been established to foster political-economic cooperation and integration or dialogue amongst states within a restrictive geographical or geopolitical boundary. Regional integration agreements have led to major developments in international relations between and among many countries, specifically significant increases in international trade and investment and in the formation of regional trading blocs. Regional integration arrangements are mainly the outcome of necessity felt by nation-states to integrate their economies in order to achieve rapid economic development, decrease conflict, and build mutual trusts between

104 Inter-State Conflicts and Contentious Issues in South Asia the integrated units. This paper examines the working of regional arrangement within South Asia, i.e. SAARC and performance of SAARC, under the light of Indo-Pak disputed Issues.

SAARC is an organisation of South Asian Nations comprising the Governments of Bangladesh, India, Pakistan, Sri Lanka, Bhutan, Nepal, Maldives and Afghanistan. The first concrete proposal for establishing a framework for regional cooperation on the basis of functional approach in South Asia was made by the late President of Bangladesh, Zia-ur Rahman, on May 2, 1980. SAARC emphasizes on closer integration of neighbouring economies as a first step in creating a larger regional market for trade and investment. Though Economic growth of the South Asian Region was mentioned in its charter as its aim and objective, cooperation in the economic field, in practical terms, was taken up much later by the member States.

From 1985 to 2011, 17. Summits have been at various places held. All the members expressed a seriousness over growing linkages between drug trafficking and international arms trade and terrorist activities. The head of states or governments recalled the adoption of the 1996 UN Declaration on measure to eliminate international terrorism. SAARC has undertaken several initiatives to tackle these problems. The Kathmandu Summit (2002) declaration unanimously accepted that terrorism in all its forms as a challenge to all nations. But there were differences of opinion between the countries during this summit especially between India and Pakistan that made it difficult to arrive at a consensus. Terrorism is a major issue which could not strengthen the Cooperation within SAARC. It has been seen in the past, terrorist have threatened to derail peace process between India and Pakistan as happened in the case of Parliament attack in December 2001 and later the after Mumbai blasts. India strongly held that Pakistan based Kashmiri militant, groups Jaish-e-Mohammad and Lashkar-e-Taiyeba are responsible for these attacks and pressurized on Pakistan to ban these groups and take appropriate action, including extradition to India.

There are so many problems which create obstacles in the way of working of SAARC and hamper the process of regional Co-operation within its arrangement and purview. Bilateral issues are a setback to the SAARC development Process. When the SAARC Summits were put off due to Political Reasons Honorary SAARC summits have played an

important role in developing contacts among the leaders of the SAARC States. It also provided opportunities to the leaders for informal bilateral contacts and consultations on the sidelines of the summits). The summits have been postponed without really considering. It created adverse impact on the institution of SAARC. For example, SAARC Summit of 1989 was postponed because of the presence of Indian peacekeeping forces in Sri Lanka (Lama, July 2001). The Sri Lankan Prime Minister Rana Singhe Premadasa said that he would not attend the SAARC meeting unless Indian forces were withdrawn from his country. After Colombo Summit 1998 which was to be held in Nov. 1999 it was postponed because of the clashes between India and Pakistan, on grounds of a military coup in Pakistan. In 1992, the Dhaka Summit was cancelled in the aftermath of the Babri Masjid demolition due to threats issued to the then Indian Prime Minister Narsimha Rao by fundamentalist forces, clearly demonstrating that an internal matter of a country has the capacity to derail SAARC.

The thirteenth Summit of SAARC was to be held in January 2005. It was postponed due to the tragedy of Tsunami and then refixed on Feb. 2005. It was again postponed. New Delhi denied to be part of the Summit and blamed security environment in Bangladesh was not suitable for the Summit. It is deep-rooted distrust between India and Bangladesh on Political dispute that has created barriers before a fruitful dialogue.

Economic co-operation within the SAARC started in 1993, when the first regional agreement on economic cooperation formed, called the South Asian Preferential Trade

Agreement (SAPTA) was signed at the seventh summit in Dhaka which came into force on 7th December 1995. The SAARC preferential tariff concessions aimed to achieve a Free Trade Agreement (FTA) decided to liberalize their economies in trade. It proved to be unsuccessful and did not do much to integrate the region economically. In 2004 the Preferential Trade Agreement was replaced by South-Asian Free Trade Agreement (SAFTA) that finally came into effect in 2006. According to this Agreement, SAARC states are to reduce or eliminate tariff, Pakistan, India and Sri Lanka will cut tariffs up to 5% within 7 years of the start of agreement. The SAARC countries will also maximize their lists of items that are given preference for intra SAARC trade. All countries can however, "Maintain a list of sensitive products" for which they will not have to reduce tariffs. The share of intra SAARC trade in global trade of SAARC countries at 5.5% in 2008, which is far below compared with

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58% in NAFTA, 54% in European Union, 25% in ASEAN. During the course of the 13th SAARC summit at Dhaka, Dr. Manmohan Singh correctly stated that; Regional economic co-operation in South Asia has fallen far short of our expectations and the dreams of our founding fathers. It remains far behind the more successful examples in both Asia and other regions of the world.

Though the SAARC countries have agreed upon free trade areas, tariff concessions need to be structured in such a way that it facilitates the flow of products. However, in the past tariff concessions which have been given by various countries of South Asia are on those products which are not tradable items between the countries, or are on the negative list. Also Pakistan has been reluctant to restore normal trading relations with India Kashmir-Issue being the major dispute until. Gen. Zia president resident Pakistan reportedly said: 'I do not want to see the emergence of Indian lobby in Pakistan. SAARC is still a long way from fulfilling its potential of being a powerful regional bloc. A clear distinction needs to be made between bilateral and multilateral relations on the issue of free trade. This is one of the reasons why products are largely smuggled and rerouted through third countries. Both the countries have similar socio-economic needs which can be fulfilled through mutual cooperation. Bilateral investment is the most effective trial to create mutual stake of India and Pak which would help in defusing tension and subsequently resolving all such issues, which create obstacle in the way of economic growth of the entire region. Strong economic relations will serve as a catalyst role towards the peace-building process.

The problems in the working of SAARC arise due to differences in perception of member-nations regarding the nature, role and structure of this organization. Such differences are the result of different vintage points determined by respective national interests of the member-nations. Pakistan's approach towards SAARC has been mainly political and it has shown least interest in regional economic interactions. Nepal's major demand from SAARC is to develop South Asia as a Zone of Peace. Sri Lanka wants to tackle its domestic problems through cooperation of this South -Asian Organization, whereas Bangladesh's primary concern is the

management of river-waters. SAARC summits have been reflection of such differences. It was, in-fact, Kathmandu Summit, where the things began to change in the right direction, a step towards regional cooperation. However still prevailing differences in perception of member-nations especially regarding institutional framework of SAARC, different economic structures of member-nations, vast disparities in the working of respective Political Systems and the resultant differences in attitude and interests, does not provide favourable ground for regional cooperation.

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SAARC is failure to take up bilateral issues and have been attributed as one of the major cause for the failure of regional Co-operation in South Asia. The heads of SAARC nations have stressed that important political issues affecting bilateral ties need to be taken up SAARC to be successful in south Asia. However, the inclusion of bilateral issues has many advantages and sometimes leads to mistrust and suspicion among the nations. Resolving bilateral issues can be achieved through bilateral negotiations rather than diluting the SAARC platform to find solution to such disputes. The SAARC charter prohibits the discussion of bilateral issues. Some Pakistan analysts have accused India of being the main culprit and feel that hampered SAARC. However, from India's point of view most of the problems it has with its neighbors are bilateral in nature and do not concern with other member states.

Bilateral disputes and conflicts between India and Pakistan create major hindrances in the successful working of SAARC. Indo-Pak relations has been mainly a story of conflicts and discord, mutual distrust and suspicion. Even though the two South Asian nations share historic, cultural, geographic, and economic links, their relationship has been plagued by hostility and suspicion and strained by a number of historical and political issues Legacy being a major determining factor of the both countries and conditioned their bilateral relations.

Kashmir issue is the root cause of all tensions between India and Pakistan. The question arises that how will India take the Kashmir issue? India says that Kashmir is not the "Core Issue" and the issue is more about the problem in Kashmir rather than the problem of Kashmir, It does not recognize Kashmir as a dispute territories therefore discussing the loyalty of its accession to the Indian Union does not arise at all, whereas for Pakistan, the disputed territory of Kashmir is the core issue. It is no doubt that Kashmir has been the focal point of discord between India and Pakistan Since the partition of the country. Even the three wars 1965, 71 and Kargil War between them could not solve this problem.

Jammu and Kashmir region has resulted in frequent fighting along the line of control (LOC) which both countries accepted in 1972 Simla

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(agreement. Both nations have maintained troops along the line. But the \ occupation of the Siachen area by Indian and Pakistan troops in April 1984, \this portion was termed as the Actual Ground position line (AGPL).

The 60-Kilometre Long Sir Creek lies on the boundary between Pakistan and India in the marshes of Rann of Kutch and flows into the Arabian Sea. It was not included in the 1968 Tribunal Award on the Indo-Pakistan western boundary, because both sides had agreed to exclude the area from the deliberation of the tribunal. The Sir Creek area is rich in fish and is a breeding ground for prawns. Any change in the land boundary will greatly affect the External. Economic Zone (EEZ). The dispute is over the interpretation of the boundary line dividing the Creek. India's wants boundaries to be demarcated from the centre of the Creek while Pakistan wants the bank of the Creek as international boundary. Kashmir is important for Pakistan because all of its rivers flow from Kashmir and water is vital for Pakistani side as the latter is facing a major water shortage. In 1960, India and Pakistan signed the Indus Water treaty which divided the use of rivers and canals between the two countries. Pakistan obtained exclusive rights for the three western rivers, Indus: - Jhelum and Chenab. India retained rights to the three eastern rivers Ravi, Beas and Sutlej.

Baglihar Dam is a Dam Project on the Chenab River in the Doda district of Jammu and Kashmir. Pakistan feels that India is violating the Indus treaty by constructing this dam on the river Chenab and also feels that the construction of spiliway-gated structure will deprive it of up to 7000 cusecs of water daily and will have an adverse impact on its irrigation system. India has clearly stated that the construction of Baglihar project is not the violation of Indus water treaty. The Indian side has said, that all water which has been withheld will be released after being used for power generation. The Wular Barrage is a project started by India in 1984 at the Wular Lake downstream from the Jhelum river. It consists of a dan with a navigating lock of permit navigation during the lean winter, 8 months. In 1987 work was stopped following a protest by Pakistan that this was a

violation of the Indus Water Treaty of 1960 in that it was meant for water storage. Indus stand is that it is meant to enhance navigation, which is permissible under the treaty. Various rounds of talks have been held so far but an agreement has remained elusive.

The two largest states of the region: India and Pakistan were born as twins, but rival twins, through a baptism of blood and fire. Tensions between India and Pakistan, in particular, become high pitched from time to time.

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The alleged Cross- border terrorism in Jammu and Kashmir became another serious problem between India and Pakistan. At his press conference on July 2001, President of Pakistan, General Musharra, justified the Kargil aggression and asserted that Pakistan's support to 'Jehadis' in Kashmir was like India's arming the 'Mukti Bahini' (Ghuman 2006: 295).

The issue of terrorism has been on the agenda of SAARC since the first summit held in 1985. With the passage of time, the issue of terrorism has taken a more complex character and there is clear realization among the member countries of SAARC that there is no other alternative to have coordinated strategies to respond effectively to curb terrorism. From the very beginning, SAARC took terrorism issue and approved that the standing committee should set up a study group to examine the problem of terrorism. During the summits all the members agreed to fight against terrorism and also recognized to importance of the principle laid down in UN Resolution 1373. Even the heads of state expressed happiness at the signing of SAARC Regional convention on suppression of terrorism and considered it a historic step towards the prevention of terrorism from the region. Most of the SAARC members have suspicion and mistrust towards India which has weakened India's position in South Asia and left the space for China. India needs to give a re-look in its policies with SAARC countries. An Analysis of socio-economic agenda within the purview of SAARC reveals that the organization has achieved limited success.

In spite the tensions or irritants between Indo-Pak relations SAARC is the best hope to improve the regional co-operation in South Asia. A number of initiatives have been taken by the two states under the auspices of SAARC for the economic growth, cultural development and collaboration in social, technical and scientific fields. The enhanced cooperation has generated CBMs and leads the composite dialogue which is turn into non-economic benefits for the two states and a steady and positive improvement in their bilateral relations. A major effort of SAARC was to bring India and Pakistan closer to negotiate over Kashmir dispute at the January 2004 Summit meeting, and the first time leaders of both nations adopted a positive posture towards each other. In the same meeting, they also pledged to resume the state level talks on Kashmir issue. The 110 Inter-State Conflicts and Contentious Issues in South Asia member states signed the Additional Protocol on 'Suppression of Terrorism,' which was also ratified in 2005. In spite of severe bitterness and misgivings between New Delhi and Islamabad, both expressed their willingness to minimize the gap in various SAARC Summits, which had jolted the rhythm of the bilateral dialogue process.

Multi-track diplomacy is also an important aspect of emerging scenario of cooperation. Track-I diplomacy is limited to the official level talks between two countries and it is used for conflict resolution. Track-II diplomacy comes in the purview of CBMs. Such diplomacy was started between India and Pakistan in the 1970s, but it was limited up to quasi or semi-government level. Therefore, in recent years, there has been more thrust on people to- people contacts which is called multi track diplomacy and it includes educationalists, businessman, sportsmen, art groups, partitioned families etc. Multi track diplomacy is bringing desirable fruits for peace and co-operation in the region.

The SAARC members entered in the field of economic co-operation through SAPTA. After some time, which was replaced by SAFTA, while SAFTA was seen as the route to opening up trade, it was always needed to address the problems of trade asymmetry in the region. The SAARC process moved slowly to address these issues, bilateralism become a preferred option to stimulate the intra-regional trade. India has already entered into bilateral free trade arrangements with Nepal, Bhutan and Sri Lanka. The mutual trade between India and Pakistan has not flourished much due to the hostile and hated political relations. Intra-regional trade among the SAARC members stand to benefit will in the bargain but the track record of intra-regional trade within SAARC countries has been dismal or marginal. It can be seen if we compare the percentage of intra-regional growth between the member states of SAARC. It grew from 3.2% in 1980s to only 5.5% in 2008 which is far below when compared with 58% in NAFTA, 54% IN EU and 25% in ASEAN (Mehta 2012). Kashmir is a major bone of contention between India and Pakistan. In fact, this problem always becomes an insurmountable hurdle

whenever any effort is made to normalize and strengthen mutual ties in trade and strong economic relations. From the many years, Pakistan is not in favour to give MFN status to India due to the Kashmir issue. In the absence of MFN status, a large number of Indian export items to Pakistan have been routed through a third nation. An unofficial trade between both nations is increasing day by day which is not beneficial. If this unofficial trade is regulated by official channels both the countries can earn a lot of income through custom duty. The trade between India and Pakistan takes place mostly through Bombay-Karachi route but at the eve of partition most of the trade was carried through via Wagah- Attari border. The distance between Amritsar and Lahore is just about 50 km. Bombay- Karachi involves huge transport and trans-shipment costs. On the other side, land routes (Wagah-Attari, Lahore-Amritsar) can give a boost to border trade. Though the SAARC states have agreed upon free trade areas (FTA) and extend tariff concession but it needs to be structured in such a way to facilitate the free flow of goods and products. There has been a tremendous progress over the past few years, trade between India and Pakistan was just over \$2.5 billion in 2013 that could easily grow to \$10 billion. No doubt SAFTA has opened up the new ways of economic co-operation among the member states.

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## 2. CONCLUSION

To develop SAARC into a successful-working regional model, emphasis should be laid on removing fear, suspicion, distrust and feelings of jealousy among the member-nations. Such negative attitude wavers the attitude of members and severely hamper the process of steady and continuous cooperation. Study of the speeches of member-nations at various SAARC Summits clearly reflect that they are alive to the needs and advantages of regional cooperation, and willing to accept the new international economic realities. SAARC can prove to be a highly beneficial organisation for South Asian Nations, if all the members work together on one platform. Considering the vast natural and human potential of South Asian Nations, economic cooperation among them could develop South Asian region as competitive International market. For This, it is essential that they understand present geopolitical realities and do not allow their political conflicts come in the way of regional economic cooperation. It will further depend upon the prudence and wisdom of the member nations in taking advantage of cooperative environment. For resolving their bilateral disputes to create a climate of regional peace and stability, and thereby making SAARC – a successful regional Organisation.

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